

China, Japan, and Their Neighbors

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Two countries in East Asia prompt students and visitors to think of them as likely to occupy, in the twenty-first century, a commanding world position. I have in mind, of course, that writers like Norman Macrae of the *Economist* and Herman Kahn of the Hudson Institute look at the Japanese system and project performance that will place Japan in the very forefront of world economies within the next twenty-five years—and this despite the relatively small size of the country and its almost total lack of natural resources. On the other hand, visitors like former Supreme Court Justice Douglas, Kenneth Scott Galbraith of Harvard, and many others have visited China and left it saying, in effect: “I have seen the future, and it works!”

What we see today in the Japanese and Chinese dynamics are two almost perfectly antithetical systems, operating well on entirely different assumptions as to how to go about meeting national requirements. Both belong to a cultural tradition that persevered for thousands of years in China, and extended for a thousand years far beyond the frontiers of China itself. In a perceptive essay on “The Sinic World in Perspective” published in *Foreign Affairs* last year Edwin Reischauer observed that the ethical and aesthetic idiom of Confucianism and Taoism had been absorbed by Korea, Japan, Vietnam, and still other parts of Asia, but that there had never been a tendency toward real community among these societies.

The question must arise in many people’s minds as to whether under any conceivable circumstances the present-day Chinese and Japanese systems could ever coalesce. Before troubling ourselves with that question, I should like to say what I think it is essential to know about the character and purpose of these two societies.

The population of China is today approximately eight times larger than that of Japan: 874 million to

105 million. China is blessed with almost all of the agricultural and mineral resources necessary for self-support, and with the recently discovered petroleum reserves both onshore and offshore it may become a very important exporter of oil. Japan is able to produce about enough rice for its population, but in all other respects it is without the raw materials needed to support its economic system. The size of China is about thirty times that of Japan: 3,700,000 square miles to 147,000 square miles. Japan’s GNP is over twice that of China’s, and its per capita GNP may be fifteen times higher: about \$2,500 to about \$150. These are more or less quantifiable differences. There are, in addition, important differences in past achievements, in national philosophy, and in national purpose.

Japan entered the modern world in the third quarter of the nineteenth century, and for the past hundred years has sought out from every corner of the world ideas, technologies, and capital resources it considered useful in making Japan the equal of the “West.” Except for the period of the American occupation of Japan from 1945 to 1952 Japan has been an effectively disciplined master of the evolution of the system upon which its national life is now based. Chinese attitudes toward the outside world have been very much more ambivalent and very much less self-determining. There was a period when China was a semicolon. There were periods when it borrowed unsystematically from this or that part of the outside world. And there have been periods when it tried to revert to the isolationism of the Imperial “Middle Kingdom.”

If we consider China from 1949 and Japan from 1952, we see additional contrasts. Japan has been a growth- and foreign-trade-oriented economy over the past twenty years or so. Until the past year or two China appeared ready to subordinate national economic growth per se to other national objectives like national security, full employment, and conservation. In the period from 1953 to 1972 the Japanese economy was growing at an annual rate of about 10 per

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cent—and became, after the United States and the Soviet Union, the third country, in terms of GNP, in the world. In the decade from 1959 to 1969—which included the period of the Cultural Revolution—the Chinese per capita GNP probably declined, and its absolute GNP increased very little, if at all.

The Chinese economy was shaped by leaders who had made a seemingly undeviating ideological commitment to self-reliance and to egalitarianism. These are impressionistic terms and should not be taken as reflecting either a total rejection of useful economic relations abroad (for example, imports of grain in times of domestic shortage) or absence of hierarchy within government or the society at large. Still, China's goal was to strive fiercely for national independence and for social justice, even if the pursuit of these goals seemed to be "uneconomic."

Japan operates a relatively egalitarian society, and the gap between the very rich and the very poor is not as wide as in many other societies. But the startling Japanese growth performance resulted from a fiercely competitive economic process, guided by leaders in the government and in business, toward goals the whole system should achieve.

Under the leadership of Mao Tse-tung and the Chinese Communist Party the Chinese system is sternly ideological. The Cultural Revolution of 1966-69 was an experience in "ideological" self-purification restrained only by what appeared to be a primeval Chinese instinct for self-preservation, nationally and within communities. Ideology, in anything like the same sense of the word, has not existed in postwar Japan. Some of Japan's intellectual and artistic community might be influenced by Bushido and have an atavistic fascination with the feudal glories of Japan's past, and others, by Marxism. But by and large the Japanese society is philosophically eclectic and quite unashamed to describe itself as an "economic animal," ready to separate "politics from economics" in the conduct of its foreign relations.

It is possible to say, I believe, that for China and for Japan the central and crucial foreign relations orientation does not relate to countries belonging to the East Asian community of nations. The central foreign policy concern of Peking is the USSR. The vital foreign connection for Tokyo is the U.S. Even the relationships of Japan and China between themselves are of secondary importance to these other concerns. Still, China and Japan do, separately and together, loom very large in the consciousness of their neighbors in the region, and it is of some interest perhaps to point out in what ways.

The case of Korea is obvious. A divided country, Korea could be, as it was before, an arena of war. Under present circumstances it appears that both Peking and Tokyo have a rather deep interest in preserving the status quo in Korea. Both of them may be satisfied that the United States is committed to support South Korea in opposing aggression from North Korea. Both of them would be alarmed at the entry of a significant Soviet role in the life of Korea, whether divided or unified.

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Hanoi was heavily supported by Peking throughout the period of conflict with South Vietnam. With its recent successes Hanoi will have occasion, however, to reassess the degree to which it wishes to depend upon further economic and military support from Peking. Meanwhile, it has moved some distance in the direction of normalizing its relations with Tokyo, knowing that the trade and investment for reconstruction and growth of the North Vietnamese economy may need to come in substantial amount from Japan.

For Laos the Chinese proximity is significant, and a road thrusts from China into Laos. Meanwhile, the economy of Laos has been, for some time, supported not only by the United States but by a number of other countries, including Japan. The Japanese commercial position in Laos is quite strong. And now we hear what may disturb both Peking and Tokyo: There has been a large influx of Russians there.

Of the major powers Japan was perhaps most foresighted in rearranging its affairs in Saigon and in Phnom Penh so as to prepare for the disappearance of Thieu and Lon Nol and be ready to deal with their successors. Because the Chinese gave sanctuary to Sihanouk and moral support to the Khmer Rouge and the Viet Cong, their position will be stronger than that of the USSR, as well as, of course, of the United States.

We have seen in Manila a growing interest in Japanese trade and investment despite ugly memories of World War II that continued until very recently to sour Philippine-Japanese relations. And now we observe President Marcos normalizing relations between Manila and Peking.

For several years Bangkok had foreseen an American withdrawal from South Vietnam and moved toward a normalization of relations between Thailand and China. Meanwhile, Thailand has gone through several phases of attitude toward a Japan upon which it has become increasingly dependent for its trade and investment. A year and a half ago anti-Japanese feeling was intense. Recent events and new anxieties over Hanoi seem to have moderated these feelings about Japan.

Malaysia has been the principal spokesman of the ASEAN countries—Malaysia, Thailand, the Philippines, Indonesia, Singapore—in advocating the establishment of a zone of peace, freedom, and neutrality from the China border down through Indonesia. Because this concept lacks reality without the acquiescence and even the support of the major powers—in staying out of the zone—Kuala Lumpur has normalized its relations with Peking while continuing its connections with both Moscow and Washington. The Malaysians are making a particularly sober assessment of the realities of their situation inasmuch as about half its population is Chinese, and the problem of insurgency presents its most menacing aspect among Chinese dissidents who have had links with Peking. While making

various moves related to its security situation, Malaysia maintains economic links with Japan, which is more important to its economy than any other country except, perhaps, the United States.

Singapore is preponderantly a "Chinese" city-state, and as such its achievements are the subject of the envy and dislike of the Malay world surrounding it. Its safety and its potential for growth depend upon its ability to be of value to its neighbors. To achieve this status and play that role it has offered hospitality for the conduct of trade and industrial activity to all countries around the world, notably to Japan and the U.S., and has offered its port facilities to international shipping of all flags. Singapore, appearing to be a "Chinese" city-state, has been understandably reluctant to lead the way toward any kind of rapprochement with Peking.

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Indonesia is the largest and potentially the most influential, economically, of the Southeast Asian countries. Its spectacular economic achievements of the past ten years have been substantially supported by Japanese aid, investment, and trade. There is a tradition of anti-Chinese sentiment in Indonesia, related in part to the Chinese involvement in the very strong Communist Party with which Sukarno had connections in the early 1960's and in part to the impressively effective and greatly envied role of the Chinese management class in the operation of the Indonesian economy. Anomalously, the Chinese, personally, and the Japanese, representing a system, come together in the Indonesian imagination as a threat to Indonesian self-determination.

One could say very much more about China and Japan in Southeast Asia. By way of generalization, these observations should be made. Japan's economic power and mobility make it either the number one or number two factor in the foreign economic experience of every country from Korea through Indonesia. The disparity of wealth and economic power between Japan and its neighbors has made, on the one hand, for resentments, and, on the other hand, for a degree of economic achievement in

these societies conspicuously better than in many other parts of the developing world. Japan, however, is nowhere regarded as a military factor. It is for this reason that it has gained the acceptability it enjoys.

China is a negligible factor in the normal economic life of its neighborhood. Often regarded as a threatening factor in Asia, it does not possess, however, easily deployable military forces over and above those which China must keep in place to cope with dangers from the north. The "Chinese" threat seems to present itself in two ways. One of these is entirely unrelated to Peking: Overseas Chinese communities are generally too competitive for comfort. Ironically, the other threat is Peking-oriented even when not Peking-directed: this is Chinese inspiration and reinforcement, morally and otherwise, of populist insurrection.

In the future we are likely to see Japan slowing down its commitment to economic growth and placing much greater emphasis on Japan's own quality of life, and on various international cooperative undertakings designed to create stability in the economic and social processes from which Japan's neighbors as well as Japan itself can benefit. As China begins to see benefit from the enlarged foreign trade in which it is now engaging, it may reduce its emphasis on autarky. At the same time, both countries will want to see a continuation of a significant American presence in East Asia and American involvement in its affairs so that a foreseeable expansion of Soviet naval power and economic involvement will be balanced by American military and economic capability.

The main elements in this panoramic view of East Asia, and of the respective roles of China and Japan, have been apparent to most Asians over the past three or four years. It was only the great speed of North Vietnam's military sweep through Hue, Danang, and into Saigon that surprised, not that these events were taking place. It would come as no surprise to Indochina's neighbors if Hanoi, Saigon, Phnom Penh, and Laos found themselves, for quite a few years to come, deeply involved in the reconstruction of the Indochina states and in the clarification of the political arrangements under which they will be living. These inward-looking concerns may actually diminish the sense of threat to other countries like Thailand or Malaysia. And East Asia may move into a period in which there will be small incentive for China, Japan, the USSR, or the United States to engage in activities that could invite the charge of seeking hegemony, or even of interfering improperly, in the domestic affairs of countries that may now seek a new basis for their peaceful coexistence.

We should look upon China as a country that will be concerned with sheer survival, with moral content in social life and development, and with its own safety from outside aggression. Japan will continue to operate a system that can accommodate the strains of competition at home and on the world scene while relying on the resilience and moral capacities of individuals to serve group interests in periods of distress.